

# P&C INSURANCE FINANCIAL FOUNDATIONS SEMINAR

LEARNING THE INS & OUTS OF THE P&C INSURANCE INDUSTRY

Casual Fellow and Werner Advisory are collaborating to provide a solid foundation in concepts required for insurance companies to deliver competitive and profitable P&C insurance products.

## TARGET AUDIENCE

- Product managers
- InsurTech entrepreneurs
- Actuarial analysts
- Underwriters
- Brokers & agents
- Data scientists
- Financial analysts
- IT professionals
- Other P&C professionals

## SAMPLE TOPICS

- Data & KPIs
- Pricing & risk segmentation
- State Management
- Rate regulation
- Predictive modeling
- Customer demand
- Reserving
- Financial statements

## DELIVERY METHOD

- Live on-site sessions
- Live virtual sessions
- Recorded videos

## MEET THE INSTRUCTORS



### **Michael McPhail, Managing Member, Casual Fellow**

Michael is a Fellow of the Casualty Actuarial Society (FCAS) with over 14 years of pricing and reserving experience. He has held executive/senior-level positions at a top 10 U.S. insurer and a global consulting firm. Michael owns Casual Fellow, which has trained more than 1,000 actuarial candidates through both online and live seminars. Michael also taught Mathematical Interest Theory at Trinity University in San Antonio, TX. Michael can be reached at [michael@casualfellow.com](mailto:michael@casualfellow.com).



### **Geoff Werner, Managing Member, Werner Advisory**

Geoff is an FCAS with over 30 years of experience focused on insurance pricing and product innovation. He has held executive-level positions at a top 10 U.S. insurer, two global consulting firms and a leading telematics service provider. Geoff co-authored the textbook the CAS uses to teach pricing to all actuarial candidates. He has extensive experience training clients on actuarial topics, predictive modeling software, telematics, etc. Geoff can be reached at [g.werner@werneradvisory.com](mailto:g.werner@werneradvisory.com).

**For more information or to enroll, contact us at:**

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## P&C INSURANCE FINANCIAL FOUNDATIONS SEMINAR - SYLLABUS

### FOUNDATIONS (1/2 Day)

| TOPIC                          | CONTENT  |
|--------------------------------|--|
| Insurance Functions            | Roles of Product Management, Claims, Underwriting and Actuary  |
| Insurance Terms                | Key terms: exposure, premium, loss, expense, profit  |
| Fundamental Insurance Equation | Fundamental insurance equation; compare/contrast to the standard economic equation: Price = Cost + Profit  |
| Insurance Metrics              | Key metrics: frequency, severity, pure premium, loss ratio, loss adjustment expense ratio, underwriting expense ratio, operating expense ratio, combined ratio, retention rate, close rate |
| Insurance Data                 | Insurance exposure, premium and loss data: <ul style="list-style-type: none"><li>• In-force, written and earned</li><li>• Calendar year, accident year and policy year</li></ul>           |
| Investment Income              | Introduction to source and importance of insurance investment income   |
| Reinsurance                    | Role of reinsurance and identification of the basic types  |
| Rating Manual                  | Components of a rating manual and calculating an insurance premium   |

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## **RATEMAKING** (3/4 Day)

| TOPIC               | CONTENT   |
|---------------------|---|
| Overall Indications | Indication formula and adjustments for each component: <ul style="list-style-type: none"><li>• Data: types and aggregation methods</li><li>• Premium: on-level, premium trend</li><li>• Losses: development, trend, large losses, reinsurance</li><li>• Loss Adjustment Expenses: ALAE and ULAE</li><li>• Underwriting Expenses: fixed and variable</li><li>• Profit: approaches to determine underwriting profit provision</li><li>• Credibility: measuring and incorporating reliability of indications</li></ul> |
| Risk Segmentation   | Importance of segmentation and determination of rating relativities: <ul style="list-style-type: none"><li>• Competitive advantage vs. adverse selection</li><li>• Predictive modeling and traditional approaches</li><li>• Dangers of univariate decision-making</li></ul>   |

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## PRODUCT MANAGEMENT (1/2 Day)

| TOPIC                  | CONTENT  |
|------------------------|--|
| State Management       | Managing a portfolio holistically  |
| Pricing Considerations | Non-actuarial considerations that factor into pricing decisions: <ul style="list-style-type: none"><li>• Competition</li><li>• Customer disruption</li><li>• Customer demand</li></ul> |
| Regulation             | Role and impact of state rate regulation<br>Practical considerations of different types of regulation<br>Different approaches for navigating the U.S. regulatory system                |
| Monitoring             | Key performance indicators (KPIs)  |
| Action Levers          | Pricing vs. non-pricing levers: <ul style="list-style-type: none"><li>• Pricing</li><li>• Marketing</li><li>• Claims</li><li>• Underwriting</li></ul>                                  |

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## **FINANCIAL STATEMENTS & LOSS RESERVING (1/4 Day)**

| TOPIC                                 | CONTENT   |
|---------------------------------------|---|
| Financial Statements                  | Fundamentals of an insurer's balance sheet and income statement   |
| Claims Cycle                          | Life cycle of a claim   |
| Claims Operations                     | Claims operational changes and their impact on P&C results  |
| Reserving Methods                     | Loss development and Bornhuetter/Ferguson methods   |
| Reserve Variability                   | Loss variability and reserve ranges   |
| Reserving and Profit/Loss Interaction | Explanation of how reserve changes impact an insurer's profitability & how those impacts differ by prior and current accident years |
| Financial Planning                    | Reserving & pricing function interactions for financial planning  |

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